

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0469-01  
Bill No.: HB 156  
Subject: Children and Minors; Department of Social Services; Department of Health and Senior Services  
Type: Original  
Date: February 8, 2011

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Bill Summary: This legislation establishes Sam Pratt's Law which authorizes the Department of Health and Senior Services to prohibit unlicensed child care provider from continuing to provide services if there are pending criminal charges.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
General Revenue	(Unknown)	(Unknown)	(Unknown)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(Unknown)</b>	<b>(Unknown)</b>	<b>(Unknown)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 7 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
General Revenue	Unknown FTE	Unknown FTE	Unknown FTE
<b>Total Estimated Net Effect on FTE</b>	<b>Unknown FTE</b>	<b>Unknown FTE</b>	<b>Unknown FTE</b>

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☒ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

#### **Section 210.265:**

Officials from the **Parkway School District, Fair Grove School District, Department of Mental Health, St. Louis Public School District, Office of Prosecution Services** and the **Office of the State Courts Administrator** each assume the proposal would have no fiscal impact on their respective agencies.

Officials from the **Office of the State Public Defender (SPD)** state for purposes of the proposal, the SPD cannot assume existing staff will provide competent, effective representation for any indigent clients faced with the new crime of continuing to provide child care services following notification by the Department to cease such child care services would be a new Class B misdemeanor. Any second or subsequent violation of this section would be a new Class A misdemeanor.

While the number of new cases may be too few or uncertain to request additional funding for this specific proposal, the SPD will continue to request sufficient appropriations to provide competent and effective representation in all cases.

**Oversight** assumes the SPD could absorb the additional caseload that may result from this proposal within existing resources. Oversight assumes any significant increase in the workload of the SPD would be reflected in future budget request.

Officials from the **Department of Corrections (DOC)** state the DOC cannot predict the number of new commitments which may result from the creation of the offense(s) outlined in this proposal. An increase in commitments depends on the utilization by prosecutors and the actual sentences imposed by the court.

If additional persons are sentenced to the custody of the DOC due to the provisions of this legislation, the DOC will incur a corresponding increase in operational cost through supervision provided by the Board of Probation and Parole (FY10 average of \$3.92 per offender, per day or an annual cost of \$1,431 per offender).

In summary, supervision by the DOC through probation would result in some additional costs, but it is assumed the impact would be \$0 or a minimal amount that could be absorbed within existing resources.

ASSUMPTION (continued)

Officials from the **Department of Elementary and Secondary Education (DESE)** assume there is no anticipated state cost to the foundation formula associated with this proposal. To the extent fine revenues exceed 2004-2005 collections, any increase in this money distributed to school districts increases the deduction in the foundation formula the following year. Therefore, the affected districts will see an equal decrease in the amount of funding received through the formula the following year; unless the affected districts are hold-harmless, in which case the districts will not see a decrease in the amount of funding received through the formula (any increase in fine money distributed to the hold-harmless districts will simply be additional money). An increase in the deduction (all other factors remaining constant) reduces the cost to the state of funding the formula.

**Oversight** assumes any increase or decrease in fine or penalty revenues generated cannot be determined. Therefore, the fiscal note does not reflect any fine or penalty revenues for the local school districts.

Officials from the **Department of Social Services** states while this legislation will impact license exempt child care providers, the Children's Division does not anticipate a fiscal impact. However, it should be noted that 210.025 RSMO affords provisions to prohibit license exempt family home child care providers from participating in the Child Care Subsidy program if they (the provider), or any member of their household age 17 or older, have a criminal background with specified convictions, or a child abuse/neglect finding of substantiated, probable cause, or preponderance of the evidence.

Officials from the **Department of Health and Senior Services** state Chapter 210, RSMo, provides for numerous exemptions from licensure, including persons caring for four or fewer children who are not related to the provider within the third degree; school systems; and businesses that operate a child care program as a convenience to their customers or employees for more than four hours per day. This chapter also provides that religious programs operating a child care program are exempt from licensure; however they are required to be inspected for health and safety, fire safety, and sanitation annually. Section for Child Care Regulations (SCCR) is not able to estimate the number of providers in these categories in order to estimate the number of potential investigations that may be required. DHSS estimates the cost of conducting an investigation for a childcare facility to be approximately \$425 per inspection. However, since these individuals are exempt from licensure, SCCR does not currently regulate or inspect these individuals. The impact of the legislation is therefore anticipated to result in an unknown cost to DHSS.

<u>FISCAL IMPACT - State Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
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**GENERAL REVENUE FUND**

Costs - Department of Health and Senior Services

Personal Service	(Unknown)	(Unknown)	(Unknown)
Fringe Benefits	(Unknown)	(Unknown)	(Unknown)
Equipment and Expense	(Unknown)	(Unknown)	(Unknown)
Program Costs	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
<u>Total Costs - DHSS</u>	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
FTE Change - DHSS	Unknown FTE	Unknown FTE	Unknown FTE

**ESTIMATED NET EFFECT ON  
GENERAL REVENUE FUND**

	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
Estimated Net FTE Change for General Revenue Fund	Unknown FTE	Unknown FTE	Unknown FTE

<u>FISCAL IMPACT - Local Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

**Section 210.265:**

If pending criminal charges against an unlicensed child care provider would similarly result in the sanction of the license of a licensed child care provider based on such pending criminal charges, the unlicensed provider would be prohibited from continuing to provide child care services in Missouri until the pending criminal charges are resolved in favor of the unlicensed child care provider.

## FISCAL DESCRIPTION

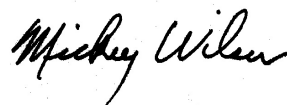
### **Section 210.265:**

This legislation establishes Sam Pratt's Law which authorizes the Department of Health and Senior Services to investigate and prohibit an unlicensed child care provider from continuing to provide child care services if there are criminal charges pending against him or her that would similarly result in licensure sanctions for a licensed child care provider. Any unlicensed child care provider who continues to provide services after notification by the Department to cease will be guilty of a class B misdemeanor for the first violation and a class A misdemeanor for any subsequent violation. The Department must report any known violation to the appropriate prosecuting attorney's office or law enforcement agency.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

## SOURCES OF INFORMATION

Office of the State Courts Administrator  
Department of Elementary and Secondary Education  
Department of Mental Health  
Department of Corrections  
Department of Health and Senior Services  
Department of Social Services  
Office of Prosecution Services  
Office of the State Public Defender  
Parkway School District  
Fair Grove School District  
St. Louis Public School District



L.R. No. 0469-01  
Bill No. HB 156  
Page 7 of 7  
February 8, 2011

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